

Mr. Neil Godby
City Manager
Albion, Michigan

Dear Mr. Godby:

From information I get from either the DNR or Health Department it looks as though the disposing of refuse in the now existing landfills (and it perhaps is far the cheapest) will be continued for several years before any consolidated system can be worked out.

Due to the high cost of maintaining and replacing equipment today it's going to be impossible to operate a landfill successfully on a short time contract. This we have tried for several years and it just does not work.

In 1974 the cost of replacing and maintaining equipment was over \$30,000 and this did not include either fuel, insurance, labor, taxes, bonds, etc. "It was only the cost of maintenance and replacing equipment." And, in 1975 it far exceeded this figure, and they must be spread over a longer period of time in order to keep the cost within the City Landfill yearly budget.

The State is so critical about landfill operations and the Sheridan-Albion Landfill have almost an unlimited amount of use for landfill purposes. Land available at present can serve the City and community up to at least 40 years. I do not believe there is another city in the State that has as much property available for a landfill for future use as the City of Albion and surrounding community.

Considering the almost impossible conditions we have in finding new landfill locations to meet State requirements and approval, I believe the present landfill should be kept open regardless of who operates it, OR, until such time as there is a better and cheaper way of disposing of refuse.

If the City Commission and yourself feel you can approve a 4-year extension on my existing contract this would give me an opportunity to keep my cost at a minimum and give me an extended time to improve and operate a better landfill. Also, if I desired to dispose of the landfill to younger or different operators, I could more easily dispose of it over a period of time on a contract. It would take approximately 5 to 6 years for anybody to pay off a contract of this amount. Under no circumstances would I sell this land on contract to anyone unless I felt they were responsible to handle such an operation, as I would only be the loser.

If the Council feels that the present contract cost is out of line for operating this landfill, then I suggest the City purchase this land and equipment, operating it with their own men and supervision, which could be purchased by the City also on contract, if they so desired. Land and Equipment, however, will only be sold as a unit.

US EPA RECORDS CENTER REGION 5



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Mr. Godby, you suggested that I let you know the age of the machinery that I intended to sell with the landfill. All of the machinery I purchased as Used.


It would be almost impossible to tell the exact year it was built, but it is several years old. When you purchase Used machinery it is not valued by age, but by the condition it is in at time of purchase. It has been my experience that a good, used piece of older equipment is a much better machine than many of the newer ones - they are much heavier and much better built. Because of the availability of landfill money it would be impossible to purchase new equipment at today's prices.

At present, land now being used for landfill purposes, consists of enough land, if properly used, would keep the City of Albion going for at least twenty (20) to twenty-five (25) years.

The land and machinery, if you are interested, I would consider selling on contract for \$150,000.00, and the machinery consists of the following:

- 1 - 1½ yd. NORTHWEST Crane - Good condition
- 1 - 3 yd. CATERPILLAR Model 966 front end Loader - Good condition
- 1 - 13 A CATERPILLAR Dozer - Completely rebuilt in 1975 - 1976
- 1 - 2 U CATERPILLAR Dozer - Good usable condition, used for standby equipment

Yours very truly,


GORDON D. STEVICK

GDS

P. S. Since my Bond and State License will be coming up in the near future and I have to report to the State my future intentions of the final covering of this landfill, it is vitally important that I have a reply to this letter as to the continued time of it's future use.

January 25, 1977

Mayor Jones
City Council Members

Re: Renewal of Wasteyard Contract

Effective March 1, 1975, the Albion city council approved a three year agreement with Gordon and Marquerite Stevick wherein they "would provide and maintain a wasteyard (sanitary landfill) for the use of City of Albion residents and industries subject to such regulations for use as the city council may prescribe" The contractor was responsible for providing all of the necessary land, equipment, supervision and services necessary to operate the sanitary landfill. The contract further provided that the contractor was allowed to contract separately with licenses garbage haulers, and with industries for disposal of wastes from industrial processes. Further details relative to conditions stipulated between the city and the contractor may be found in the contract itself.

In return for providing free services (in most instances) to the residents of the city, and to the city government itself, the city would pay the following amounts:

March 1, 1975 - February 28, 1976	\$2,750 monthly - \$33,000 annually
March 1, 1976 - February 28, 1977	\$3,000 monthly - \$36,000 annually
March 1, 1977 - February 28, 1978	\$3,250 monthly - \$39,000 annually

As is explained in the attached memorandum, Mr. Stevick is requesting that the city take action at this time to extend the contract for another four year period. He explains that it is economically unwise for him to consider additional investments in the landfill, whether physical improvements or equipment replacement, if the contract may expire in another year. He further explains that he has given consideration to selling the operation, but it is unlikely that any prospective purchaser would be interested in acquisition without the existence of a longer term contract than that which presently exists. This writer believes the request for extension is worthy of council review, and thus this memorandum is prepared in order that pertinent background material may be available for the council's information.

Prior to the year of 1966, the City of Albion owned and operated its own landfill. For reasons unknown to this writer, the council began, in 1966, to contract with Mr. Stevick for these services. Excepting for annual increase in charges, there appears to have been little alteration of the contract provisions since that date.

During the past decade, there has been a growing sentiment that the problem of solid waste disposal is one which should be addressed and administered on a "regional" or "county-wide" basis rather than on the municipal or township basis. To complement the growth in this sentiment, or perhaps as a "causal" factor responsible for that sentiment, the State Health Department and the State Department of Natural Resources has been continually upgrading the requirements of sanitary landfill operations. As only two examples, stringent requirements presently exist which require the covering of material on a daily basis, and further there are stringent requirements relative to the nature and location of solid waste disposal

sites, i.e. composition of soil, depth above water table, distance from lakes and streams, etc.

In 1973, the County Board of Commissioners responded to the expressed sentiment of Regional Solid Waste Administration by contracting for an extensive analysis of the existing system of solid waste disposal in the county, and to include recommendations for improvement of the system. Following are facts contained within that report which are pertinent to this report:

1. No area-wide responsibility for solid waste exists in the county.
2. Solid waste disposal by the sanitary landfill method is economical and practical in Calhoun County, under present technology (as compared with incineration or other more sophisticated and expensive methods of disposal)
3. The county should assume primary responsibility for area-wide solid waste management, including collection, use of transfer stations, and management of sanitary landfill sites.
4. The Battle Creek metropolitan area, Albion and Marshall, should consider a comprehensive evaluation of some type of compulsory solid waste service.
5. The City of Albion generated approximately 145,300 cubic yards of solid waste (1973) with 36,000 cubic yards generated by residential citizens and 109,300 cubic yards generated by commercial and industrial citizens. The Albion-Sheridan landfill is estimated to have accepted 74,000 cubic yards of material. The remainder of the disposal activity was accomplished through burning, recycling, dumping in unlicensed areas, etc. The volume of waste generated is expected to continue to increase.
6. The following system is recommended:
 - a. Compulsory collection service should be provided every solid waste generator in the county.
 - b. Because the existence of several landfills throughout the county would be expensive to acquire and operate, transfer stations should be created. These stations would house large containers, and would receive the bulk of refuse from contract haulers. The bins would then be transported to waste disposal sites.
 - c. Calhoun County should continue to dispose of its solid waste by the landfill method through the year 1993. The county should either purchase land for new sites or, preferably, contract with existing owners to continue using those sites.
 - d. Through bonding and other revenue sources, a sum of approximately 2.5 million dollars would be required.

Although there has been discussion on this proposal at the county level, there are presently no plans for implementation of the ideas in the near future.

The City of Marshall, which presently owns and operates an electric utility has been studying the feasibility of collecting all solid waste in the county for the purpose of incineration and creation of steam for electric power generation. Initial investigation revealed that the cost of such a system might approach \$9 million, however, the hopes remained that a feasibility study would show that the revenues from such a system would be adequate to offset the costs involved. The City of Albion was obviously interested inasmuch as if a system such as that were ever a reality, the annual costs associated with the landfill operation could be eliminated. The first setback associated with this project however was the failure (refusal) of the federal government to fund even a feasibility report (much less to fund the construction costs). The City of Marshall then decided to fund itself a small study of the project with the realization that if it appeared feasible at that time, much more extensive studies would be required. The most optimistic reports, however, were that an operational plant would be unavailable within the next five years. In addition, this writer understands that the past city manager and the past mayor were a "driving force" behind the concept, and with both of them presently no longer involved with the city, the progress toward fulfillment may indeed be abandoned.

A third alternative available to the city is to acquire land and operate the landfill with city forces, or to contract for operation upon the city-owned land. Mr. Stevick has offered to the city the 30 acres of land presently available for land fill disposal (11 acres of which have already been filled) at a cost of \$150,000. This price would include the following machinery (descriptions of condition are by the owner): The 18 acres would last approximately 20 yrs. at present usage.

1-1/2 yd. Northwest crane	Good condition
3 yd Caterpillar model #966 front-end loader	Good condition
13-A Caterpillar dozer	Rebuilt in 1975
2 yd. Caterpillar dozer	Usable condition - used as standby

Should the city move in such a direction, one could reasonably anticipate the following levels of expenditure (based upon figures provided by present landfill owner)

Fuel and Oil	\$8,000
Insurance	5,000
Labor costs	30,000
Maintenance & replacement parts	15,000
Equipment replacement (depreciation)	25,000
Administration & Supervision	<u>10,000</u>
	\$93,000

This office was unable to obtain information as to revenue sources and amounts. It is believed that the city could obtain revenue, as does Mr. Stevick, from other governmental units, from private garbage haulers, from Albion College, and from certain industries for wastes emanating from the industrial process. It would be the opinion of this office that the dollar costs for operation as projected above are unusually high; however, it is likewise believed that the amount of revenues which are generated are insufficient to allow the city to expend less than it is presently expending for the contract. In addition, the city would lose a significant amount of flexibility in altering its solid waste disposal system should it have the investment and land associated with its own management.

Necessarily, if the city did desire to own its landfill, it could possibly acquire other land. One could reasonably expect an outlay for the land (40 acres) to cost a minimum of \$20,000 and up. In addition, the equipment acquisition costs would possibly approach \$200,000*. A major problem to be faced would be the matter of rezoning and the lawsuits which appear to be a common factor associated with rezoning for landfill operations.

It is the hope of this writer that the material covered herein will be adequate for council purposes. Should more extensive work be required, it is difficult to believe that our staff could accomplish said work without outside assistance.

This office, in conjunction with the clerk-treasurer, has held discussions with Mr. Stevick to determine the annual costs associated with the requested contract extension. As a result of those discussions, it is proposed that an annual increase of \$3,000 be incorporated into the agreement. The resultant prices would be:

March 1, 1978 - February 28, 1979	\$42,000	7.69% increase
March 1, 1979 - February 28, 1980	45,000	7.14% increase
March 1, 1980 - February 28, 1981	48,000	6.67% increase
March 1, 1981 - February 28, 1982	51,000	6.25% increase

Attached hereto is a proposed agreement covering this time period. The contents of said agreement are for all intents and purposes are the same as existed in the present contract.

Respectfully submitted,

Neal A. Godby,
City Manager.

* Crane \$ 100,000
Bulldozer \$100,000
Front end loader \$ 85,000
** Compactor Spreader \$82,000

** Takes the place of a bulldozer

[REDACTED]

March 2, 1972

Mr. Neal A. Godby
City Manager
City of Albion
Albion, Michigan

Re: Waste yard contract, City of Albion--Gordon Stevick

Dear Mr. Godby:

I have been retained by Mr. Gordon Stevick concerning modifications to the existing contract between the City and my client.

I am operating somewhat in the dark since I do not have a copy of the contract to which you refer in your memo to ~~Mr. John Brudage of February 28, 1972.~~ However, my client has asked me to make certain comments relative to your memo concerning modifications to be placed in the contract.

1. Paragraph 5 - my client would like the words "safe and sanitary" to be placed before the word "manner" instead of the words you have suggested viz., "neat and attractive". As my client previously explained to you he cannot operate a dump profitably any differently than any other dump can be competitively run. It would be impossible to maintain any waste disposal area in a "neat and attractive" condition. Once an area has been completely filled and is unable to be used for such purpose it is possible then to place it in such condition if recreational use or some other purpose is intended. However, he feels that he should only be required to maintain it in a "safe and sanitary" condition during his operation thereof.

2. Concerning Paragraph 8 - it appears that you are referring here to some sort of liability protection to be furnished by Mr. Stevick. Mr. Stevick has furnished me with a liability insurance policy currently in effect with Travelers Indemnity Company, No. KDS-5913791 with coverages for owners, landlords and tenants bodily injury liability in the sum of \$100,00.00 for each person and \$300,000.00 for each occurrence with

property damage liability in the sum of \$25,000.00. The manufacturers and contractors bodily injury liability coverage is \$100,00.00 for each person and \$300,000.00 for each occurrence with \$25,000.00 for property damage liability. My client would be willing to furnish the City with a certificate of such coverage if you desire.

3. Concerning Paragraph 10, I do not know what the current paragraph states since I do not have a copy of the contract, however, my client absolutely does not want to have the right to terminate the agreement for any purpose within 90 days notice nor does he want the City to have such right. Such provision would, in effect, make the contract a 90-day contract instead of three years as stated in Paragraph 6. The City should have sufficient protection by the clause which you desire concerning leasing the balance of the unused property in the event of Mr. Stevick's inability to perform for health or financial reasons.

4. Concerning Paragraph 3 of the section of your memo entitled "New Provisions of Contract", my client does not feel that he can provide for all of the citizens and businesses located in the City of Albion free disposal services. The paragraph which you have suggested would be satisfactory as long as the Hayes-Albion business was excluded. My client informs me that presently such organization has it's own private arrangements for waste disposal. However, under the provision as you suggest it could conceivably use the facility and would, in effect, put my client out of business because of the volume involved. Further, concerning the sizes of the boxes, bags, bundles, etc., my client would like to make a limitation thereon so that they would not exceed 24" in height. My client has also informed me that no demolition materials such as concrete, used lumber, trees or stumps could be deposited under this provision without some additional charge being made no matter who brings such materials to the dump.

You have already been informed of four (4) other items which my client would not like in the contract which you have listed on the bottom of page 2 of your memo of February 28, 1972 and we will make no comment relative thereto since it is still Mr. Stevick's position that they should not be included. If you have any questions concerning this please contact me.

Copy to: John Brudage
Attorney-at-Law
133 E. Cass Street
Albion, Michigan

Sincerely,

George A. Sullivan

GAS/ab

CITY-11568

December 29, 1971

Mr. Gordon Stevick
P.O. Box 22
Albion, Michigan 49224

Dear Mr. Stevick:

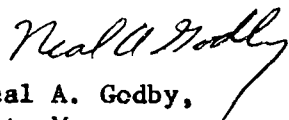
This is to confirm the outcome of our discussion on December 28, 1971, relative to the provision of service at the Refuse Disposal Site to Albion College.

Although there appeared to be a serious disagreement as to whether or not the city had previously agreed to "pass on" to you any payments made by the college to the city, it was agreed that you would continue to provide the service to Albion College until March 1, 1972, without any additional reimbursement to you.

It was further agreed that I would schedule a meeting with you and the appropriate township officials during the latter part of January to discuss any necessary updating of our agreement with you.

Thank you very much for the consideration you gave to me during our meeting and also for the delightful lunch. I look forward to further productive discussions with you on the subject of refuse disposal for the citizens of our community.

Sincerely yours,


Neal A. Godby,
City Manager.

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cc: Virgil D. Metzler
John Brundage

ALBION-SHERIDAN LAND FILL

OPEN 9:00 A.M. MUST BE UNLOADED AND OUT BY 4:30 P.M.

Starting March 1, 1971

The City of Albion; Albion, Sheridan and Parma Townships, sponsor free dumping service for everyday HOUSEHOLD RUBBISH ONLY.

All users of this Landfill must pay, before dumping on all of the following items:

TANKS

Washers, Dryers, Dishwashers and Stoves.....	\$ 2.00 each
Bathtubs and Refrigerators.....	3.00 each
All over 2 tires dumped in any load10 each

COMMERCIAL VEHICLES

All commercial licensed vehicles, will be charged the following prices for all Demolition Materials, such as Concret, Bricks, Plaster, Roofing, Cement, Fencing and Brush. These charges also cover all rubbish coming from any commercial business, unless it is SECURELY BOXED, BAGGED OR BUNDLED, then it will be accepted under free dumping.

Pickups, Panel trucks and Trailers:

Not to exceed 2 yd. capacity.....	\$ 1.00 to \$ 2.00
5 yd. trucks.....	3.00 to 5.00
10 yd. trucks.....	5.00 to 10.00